

29 February 1956

"THE ROLE OF CIA IN THE FORMULATION OF NATIONAL POLICY  
AND STRATEGY"

(Lecture at Air Command and Staff School  
27 February 1956)

I. SCOPE

Lecture deals with role of intelligence at national policy level, not with clandestine operations, or to any major degree with the "indications" business (which is handled by the Watch Committee under General Cabell's Chairmanship). In connection with national policy formulation, it is essential to note that this is not a blueprinted, hard-and-fast process, as General Dale Smith has made clear. NSC is primary channel, but foreign policy is decided in a host of ways depending on personalities and the particular nature of the problem. One major problem is lack of time for policymakers to think through problems; in this connection, independent studies, such as those being made at ACSS, can be of great use.

II. CONCEPT OF CIA AND OF THE POSITION OF DIRECTOR OF CENTRAL INTELLIGENCE

A. History of US Intelligence. Much repugnance at clandestine methods both in US public and within government. Example is Secretary Stimson barring intercept activities in 1929-30. Pearl Harbor a disastrous intelligence failure arising largely from lack of a central point of evaluation. In World War II great strides, but still much friction. Postwar re-examination, with proposals ranging from mere coordinating committees to a single all-powerful intelligence organization. The final solution a realistic compromise, unique to the US Government, setting up CIA with major central responsibilities, but also preserving the existing assets of the services and State.

B. The National Security Act of 1947. Director of Central Intelligence has personal prerogatives as well as being head of CIA; in effect, both staff and command hats. Statute gives him five powers: advising NSC, coordination, services of common concern, special missions as directed by NSC (this is the authority for clandestine operations), and "intelligence relating to the national security". The last is the major subject of this lecture. Act distinguishes between such intelligence, now called "national intelligence", and the continuing responsibilities of various agencies for "departmental intelligence". In essence, "national intelligence" is defined by the needs of national policymakers; it need not cut across departmental lines, and if a given matter is sufficiently important, it may be "national intelligence", even though the responsibility lies almost wholly in one service or department. Effect of Act is to give the Director the chief responsibility

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for pulling together the departments on major matters, on which he then speaks not merely for himself but for the "intelligence community". Statute does not say in so many words that he is intelligence adviser to the President and NSC, but this is the unmistakable implication of his powers in the field of "national intelligence".

C. IAC. This Committee comprises all services, the Joint Staff, State, Atomic Energy Commission, and FBI. It has two major responsibilities: (1) governing the intelligence community; (2) National Intelligence Estimates. These NIE's are the responsibility of the Director of Central Intelligence, but he must have the participation of the IAC and must note their views, either concurring or dissenting.

### III. THE MECHANICS OF INTELLIGENCE CONTRIBUTION TO POLICY

(Chart showing approximate wiring. Distinction between IAC and JIC of the services, which is responsible for purely military matters below the level of national intelligence.)

Channels by which intelligence reaches policymakers:

A. Circulation of original and semi-finished departmental intelligence reports. Almost nothing now withheld by any agencies from circulation. NSC Planning Board particularly avid readers, and part of job of CIA adviser is to keep this intelligence flow in focus and correct any misunderstandings.

B. Intelligence briefings of NSC by the Director. Such briefings at virtually every session, covering hot matters, or supplying background on such matters as Soviet agricultural situation. Maximum possible consultation with other intelligence agencies (e.g., consultation with General White concerning heavy bomber sightings). Initial deference to Secretary Dulles or Admiral Radford where diplomatic or military operations are enmeshed with the intelligence.

C. National Intelligence Estimates. Since fall of 1950, these represent major intelligence contribution to national policy. Machinery of initiations (usually on policymakers request) with Agency contributions, draft by CIA's Office of National Estimates, review by CIA's Board of National Estimates (senior detached people such as Sherman Kent, General Bull, etc.), and final review by IAC itself. Two major types of papers: (1) probable developments in areas or situations; (2) possible consequences of assumed US courses of action (assumption provided by policymakers). Output 50-70 estimates a year, geared to NSC and Planning Board needs in large part, ranging from major Soviet capabilities papers to quickies on crisis situations (Indochina, [redacted], etc.).

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D. Intelligence participation at NSC and Planning Board. Director at NSC and CIA Planning Board representative are "advisers"

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like JCS and OCB. This has practical limitations, though policy suggestions are not precluded (by direction of President).

#### IV. SPECIFIC CASES: HOW IS INTELLIGENCE DOING?

Adequacy of intelligence to be measured under three major missions prescribed by NSC 5602: (a) indications of aggression or subversion; (b) evaluation of capabilities that may affect US; (c) forecasting potential foreign developments that may affect US.

##### A. Indications of aggression or subversion.

1. No direct Soviet case, at least since present machinery in operation.

2. Indochina: fairly good job in sounding alarm, but one specific failure in estimating capabilities of Viet Minh to absorb heavy equipment in 1954. Serious local problem, dependence on French, etc.

3. Iran and Guatemala: excellent intelligence warning.

4. Cases of not crying wolf, wolf were [redacted], and likelihood of general war in 1951-52.

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##### B. Evaluation of capabilities that may affect US.

1. Soviet papers now prepared on five-year basis. Evaluation of Soviet army and navy generally pretty good. In aircraft, estimates behind by 1-2 years in major cases, largely through use of US experience in making predictions. In guided missiles, some improvement, but were behind a little. [redacted]

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\* In estimate of total Soviet capabilities against US, the net evaluation technique has been developed to produce various systematic reports, taking into account US capabilities to a degree not done otherwise. In economic matters, intelligence performance pretty good, consistently estimating Soviet progress on lines largely confirmed later; many policy-makers sceptical of these conclusions, but now diminishing through such evidences as steel and automation. As to the Soviet scientific capabilities, intelligence predictions also more realistic than beliefs of many policymakers, but still much need

\*This point may have been omitted in delivery.

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for improvement.

The Chinese Communist problem is much more difficult than the Soviet from an intelligence standpoint, and our gaps are much greater.

C. Forecasting potential foreign developments that may affect US.

1. Fairly good record on Egypt and Middle East, also on degree of Yugoslavia's change in orientation (at least to date). As to present Soviet economic offensive, predicted general moves in this direction, but clearly did not anticipate degree and skill of Soviet operations over the past year.

2. Consequences of US courses of action never tested on Korean estimate in 1953. Generally good record on Middle East and consequences of aid to Pakistan. Estimates on Indochina largely untested since courses of action not pursued. Estimates on Offshore Islands fairly accurate to date (final returns not in).

D. Summary

Intelligence community has certainly provided firmer picture for policymakers, and has performed useful balancing function cancelling out extreme views. In general a pretty good job, although, partly because of committee system, some lack of imaginative projection in particular cases. Special note on the part intelligence continuity plays in the event of a change of administration.

V. CONTINUING PROBLEMS

A. Reader disbelief through policy or other prejudice.

B. Avoiding watering down through the committee system.

C. Relating statements of probability to the real problem of the policy-maker. Instances where a development, though not "probable", still must be prepared against. Desirability of numerical odds rather than words, for such problems as likelihood of attack on US. Related problem of stating the "lesser chance" and of estimating the consequences of a full range of possible courses of action, including negative ones (e.g., not defending the Offshore Islands).

D. Handling of operational information. Watch Committee now gets what it needs, but in estimating field only the net evaluation for attack on the US really deals adequately with this. Should be better arrangement for getting assumptions of US policy for basing of estimates clearly dependent on this.

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**VI. CONCLUSION**

The "national intelligence" function is an indispensable part of policy formulation, particularly under present NSC methods and probably under any method. Progress better since 1950, but still a great many improvements possible.

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